

MINUTE ITEM

24. (CONSIDERATION OF SUBSIDENCE COST PROJECTS, LONG BEACH - L.B. W.O. 10,042.)

Following presentation of Calendar Item 18 attached, and in response to a question by Mr. Mugford, Mr. Hortig informed the Commission that a review of the amount that will be required for the year under this project has not been completed. Mr. H. A. Lingle, Deputy City Attorney, indicated that, so far as Long Beach was concerned, the report which had been presented fully explained the situation.

THE COMMISSION CONDITIONALLY APPROVES THE TOWN LOT AREA PROJECT AS A SUBSIDENCE PROJECT AND THE COSTS PROPOSED TO BE EXPENDED THEREUNDER IN JULY, 1957 FOR PROPERTY PURCHASE AND AREAL FILL, AND IN AUGUST, 1957 FOR "FORCE ACCOUNT" AS SHOWN ON EXHIBIT "A" ATTACHED, SUBJECT TO THE CONDITION, HOWEVER, THAT THE AMOUNT, IF ANY, OF SUCH COSTS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE ITEMS OF WORK HAVE BEEN COMPLETED; PROVIDED THAT NO ESTIMATE SHALL BE PRESENTLY MADE OF THE AMOUNT OF SUBSIDENCE DEDUCTION ULTIMATELY TO BE ALLOWED BY VIRTUE OF SAID ACQUISITIONS AND FILL; FURTHER, THE CITY OF LONG BEACH IS NOT AUTHORIZED TO WITHHOLD FROM REVENUES DUE THE STATE ANY PORTIONS OF THE COSTS OF THE TOWN LOT PROJECT UNTIL COMMISSION APPROVAL HAS BEEN HAD; FINALLY, THE EXECUTIVE OFFICER OR THE ASSISTANT EXECUTIVE OFFICER OR THE MINERAL RESOURCES ENGINEER ARE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment

Calendar Item 18 (2 pages)

CALENDAR ITEM

SUPPLEMENTAL

18.

(CONSIDERATION OF SUBSIDENCE COST PROJECTS, LONG BEACH - L.B.W.O. 10,042.)

On May 2, 1957 the Long Beach Harbor Department submitted a revised request for prior approval of costs to be expended during the 1957-58 Fiscal Year on the Town Lot Area Project. This project as embarked upon includes Property Purchases, removal of existing buildings, high earth fills, raising oil wells and facilities, replacement of utilities, and replacement of roads and streets. Long Beach Harbor Department estimates the total cost of the Town Lot Project to be \$14,250,000.

To ascertain the reasonableness of this work prior to its submission for approval to the State Lands Commission as an entire subsidence project, the Long Beach Harbor Department was requested to supply information necessary to review several alternatives thought necessary to be explored before determination of the most economical design approach to the venture.

Since the Town Lot Project is not processed sufficiently currently to be proposed in its entirety, the Long Beach Harbor Department has submitted requests for current monthly expenditures for property acquisition, force account, and earth fill contract costs.

On May 13, 1957 (Minute Item 17, page 3105) and on June 13, 1957 (Minute Item 19, page 3219) the Commission approved the costs proposed to be expended by the City of Long Beach during May and June, 1957 for Property Purchases in Areas 4 and 7, with the provision that no estimate should then be made of the amount of subsidence deduction ultimately to be allowed by virtue of the specified Property Purchase, and the City of Long Beach be not authorized to withhold from revenues due to the State any portions of the cost of such Property Purchase until further action by the Commission.

IT IS RECOMMENDED THAT THE COMMISSION CONDITIONALLY APPROVE THE TOWN LOT AREA PROJECT AS A SUBSIDENCE PROJECT AND THE COSTS PROPOSED TO BE EXPENDED THEREUNDER IN JULY, 1957 FOR PROPERTY PURCHASE AND AREAL FILL, AND IN AUGUST, 1957 FOR "FORCE ACCOUNT" AS SHOWN ON EXHIBIT "A" ATTACHED, SUBJECT TO THE CONDITION, HOWEVER, THAT THE AMOUNT, IF ANY, OF SUCH COSTS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE ITEMS OF WORK HAVE BEEN COMPLETED; PROVIDED THAT NO ESTIMATE SHALL BE PRESENTLY MADE OF THE AMOUNT OF SUBSIDENCE DEDUCTION ULTIMATELY TO BE ALLOWED BY VIRTUE OF SAID ACQUISITIONS AND FILL; FURTHER, THE CITY OF LONG BEACH IS NOT AUTHORIZED TO WITHHOLD FROM REVENUES DUE THE STATE ANY PORTIONS OF THE COSTS OF THE TOWN LOT PROJECT UNTIL COMMISSION APPROVAL HAS BEEN HAD; FINALLY, THAT THE EXECUTIVE OFFICER OR THE ASSISTANT EXECUTIVE OFFICER OR THE MINERAL RESOURCES ENGINEER BE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment
Exhibit "A"

EXHIBIT "A"

TABULATION OF COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG
BEACH DURING JULY AND AUGUST, 1957 ON TOWN LOT PROJECT

	EXPENDITURES ESTIMATED BY LBHD FOR JULY, <u>1957</u>	EXPENDITURES ESTIMATED BY LBHD FOR <u>AUGUST, 1957</u>	SUBSIDENCE AUTHORIZA- TIONS
Property Purchases:			
Area 4	\$ 40,000		*
Area 7	99,200		
Miscellaneous, Areas 4 and 7	15,800		
Areal Fill (Spec. 404)	220,000		*
Force Account		\$ 20,000	*

*Subject to later determination
by the State Lands Commission